

## Industrialization of Agriculture in Heilongjiang Province

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The rate of commercialization of food products in Heilongjiang Province is more than 70% and the amount accounts for about 30% of the country's total, which makes the province the largest commodity grain production area in China. And what are sold are mainly raw materials and primary processed products.

Heilongjiang Province has a high ratio of forest and a low density of population, and the size of development of rural industry is small. Moreover, as the soil fertility is high, the amount of fertilizers and agricultural chemicals used is small. Additionally, the province is rich in biological environment. Thus, Heilongjiang Province is suited to the production of green food. The size of production per household is four times the national average, but the production size, level of organization, equipment and machinery, and level of industrialization differ significantly by region within the Province.

In recent years, the rate of the area where food crop is grown increased sharply, and in 2009, the percentage of the area where agricultural products are grown reached 93.8% of which the three major crops of corn, soybean, and rice accounted for 87.5% of the total. Thus, there is a tendency for the unification of planting structure and concentration of regions. Moreover, individual management by farmers is heading toward organized management and social service industry.

Many farmers select where to sell their crops on their own. Although the number of processing companies is large, the percentage of small-sized companies in the above number is high and companies are not strongly tied. Accordingly, they are yet to start producing good processed products. Currently, the number of relatively large-sized companies is on the increase due to investments through various routes. Moreover, the percentage of an "integrated production and sales" system with a processing company at its core is increasing and the quality specific to each product is increasingly emphasized. Accordingly, it is necessary for farmers and companies to establish a structure of "integrated production" and a system of profit sharing, and furthermore, the increased branding of agricultural products.

Transportation is mainly by railroad, but land and water transportation capabilities are improving. The key to success or failure of the development of processing companies is the sales in markets. For the future direction of the industrialization of agriculture, it is advisable to diffuse "regional cluster production models." Highly value-added agricultural products can be developed and high-end consumer markets both domestic and abroad can be exploited by "developing green brand and aiming for the direction of distinctive development." Thus, industrialization of agriculture has good potential for growth.

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